GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:3138
ANSWERED ON:13.12.2006
CONTAINING NON -PLAN EXPENDITURE
Tripathy Shri Braja Kishore

Will the Minister of PLANNING be pleased to state:

(a) whether the Union Government has outlined a major austerity drive in a bid to contain its non-development expenditure;

(b) if so, the details thereof;

(c) whether the non-plan expenditure of the Government has increased over the years and various Central Government Ministries/Departments and Autonomous bodies have failed to implement the orders issued from time to time in this regard;

(d) if so, the facts thereof; and

(e) the steps taken by the Government to put a check on the non-plan expenditure?

Answer

MINISTER OF ATATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN)

(a) & (b): The Union Government with a view to containing non-developmental expenditure has been issuing guidelines on `Austerity Measures` intended at promoting fiscal discipline, without restricting operational efficiency of the Government. The major measures indicated include 5 per cent mandatory cut on non-Plan expenditure during 2006-07 excluding interest payments, repayment of debt, Defence capital, salaries, pension and the Finance Commission grants to the States. The measures also include ban on creation of Plan and non-Plan posts; restriction on foreign travel to most necessary and unavoidable official engagements and foreign deputations; increased use of Information and Communications Technology to ensure better utilization of resources and improved delivery of public services; and restricting advance payments to implementing agencies to 10 per cent of the approved financial outlay in the current financial year.

(c) to (e): The bulk of the non-Plan expenditure of the Central Government comprises of interest payments, defence expenditure, subsidies, police, pension, grants to States under the award of the Finance Commission, etc. It has been the constant endeavour of the Government to contain the growth of non-Plan expenditure, while meeting inescapable commitments of debt servicing, external and internal security, subsidies to the needy and salaries and pensions. This is done with a view to increase the availability of resources for developmental programmes. Excluding these items, it would be seen that other items of non-Plan expenditures have shown rather modest growth. There is always scope for improvement and the Government is closely monitoring the expenditure.